

## CASE SUMMARY

### INFORMATION ON PROPOSED SETTLEMENT OF LITIGATION

CASE NAME	Dworsky Associates, et al. v. Matti J. Prabhu & Associates
CASE NUMBER	BC 331241
COURT	Los Angeles County Superior Court Central District
DATE FILED	April 11, 2005
COUNTY DEPARTMENT	Department of Public Works
PROPOSED SETTLEMENT AMOUNT	Payment to County of \$273,000
ATTORNEY FOR COUNTY	Michele L. Gamble, Esq. COLLINS, COLLINS, MUIR & STEWART LLP
COUNTY COUNSEL ATTORNEY	Robert C. Cartwright Principal Deputy County Counsel (213) 974-1793
NATURE OF CASE	This is a case seeking reimbursement of extra construction costs incurred by the County due to professional negligence in the design of the Central Juvenile Hall Housing Units Replacement Project ("Project"). The County's extra construction costs resulted from design errors and omissions discovered in structural plans and specifications prepared by Matti J. Prabhu & Associates ("Prabhu"), a structural engineering sub-consultant on the Project. The County assigned its claims against Prabhu to the architect of record, Cannon Dworsky ("Cannon"), who prosecuted both the County's claims and Cannon's own claims against its sub-consultant, Prabhu.

On June 15, 1999, the County retained Cannon as the architect of record to design the Central Juvenile Hall Housing Units Replacement Project. Cannon hired Prabhu as a sub-consultant to perform structural engineering services. In January 2003, when construction of the Project was just over thirty percent complete, a number of significant deficiencies in Prabhu's structural plans were discovered. In April 2003, Cannon terminated Prabhu's contract. Subsequently, the principal of the Prabhu firm, Matti J. Prabhu, passed away and the firm ceased operations. Due to Prabhu's design errors, the County incurred change orders to the construction contractor of approximately \$452,000. Cannon incurred approximately \$412,000 in extra costs, including additional costs to re-design the structural plans and specifications, due to Prabhu's errors.

In 2005, the County entered into a Joint Prosecution Agreement with Cannon in which the County assigned its claims to Cannon and Cannon agreed to prosecute the County's claims and its own claims against Prabhu. Cannon also agreed to be responsible for all attorneys' fees and costs incurred in the litigation. Cannon filed the resulting lawsuit against Prabhu in April 2005. The case was vigorously litigated, with significant discovery being undertaken by both sides.

Due to the risks and uncertainties of litigation, the office of the County Counsel, in conjunction with the Department of Public Works, is recommending a global settlement in the amount of \$525,000 whereby the County will receive \$273,000 and Cannon will receive \$252,000. Out of Cannon's portion of the settlement proceeds, Cannon will pay all of the costs of the litigation, including attorney's fees, which exceed \$183,000.

PAID ATTORNEY FEES, TO DATE	\$14,898.87 (In-House Fees)
PAID COSTS, TO DATE	None by County